

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 216 - SB 206

February 14, 2021

SUMMARY OF BILL: Authorizes a court to place a delinquent child on probation indefinitely as long as it is in the best interest of the child. Allows a child placed in the custody of the Department of Children's Services (DCS) whose health and safety are in imminent risk of danger, and who needs specific treatment or services that are available only in custody, to remain in such custody so long as is necessary to complete the treatment or services. Removes a 48-hour maximum time period for which a delinquent child may be placed in detention at an institution, camp, or other facility for delinquent children in cases in which the court issues a written order that finds a longer detention is in the best interest of the child.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$6,682,200/FY22-23
\$13,364,500/FY23-24 and Subsequent Years**

**Increase Federal Expenditures - \$5,430,400/FY22-23
\$10,860,900/FY23-24 and Subsequent Years**

Other Fiscal Impact - Public Chapter 1052 of 2018 resulted in a decrease in the Department of Children's Services (DCS) custody and probation populations. As a result, DCS reclassified 32 existing case managers to accommodate an increase in the dependent and neglected (D&N) population. The extent to which reclassification of such case managers back to custody and probation would necessitate additional positions for D&N is unknown.

Assumptions:

- Pursuant to Tenn. Code Ann. § 37-1-131, a delinquent child may only be placed on probation or in the custody of DCS for a maximum of six months, with authorization for an additional six months given certain conditions. The proposed legislation lifts these restrictions to allow for a delinquent child to remain on probation or in custody for as long as it is in the best interest of the child, or as necessary to complete treatment or services.
- Based on information provided by DCS, lifting the current maximum periods for probation and custody will result in an eventual increase of 246 youth in DCS custody, and 517 youth on probation due to higher retention rates and longer average custody periods.

- The additional 517 youth on probation will only require active case management.
- The 246 youth are assumed to be placed in a residential treatment facility or lower placement setting.
- The average daily cost of a juvenile delinquent in a residential treatment facility setting is \$269.80.
- The recurring increase in expenditures resulting from additional youth in DCS custody is estimated to be \$24,225,342 (246 cases x \$269.80 x 365).
- The increase in expenditures of \$24,225,342 will consist of \$13,364,455 in state funding and \$10,860,887 in federal funding, as follows:
 - \$9,690,137 in DCS state funds ($\$24,225,342 \times 40.0\%$).
 - \$3,674,318 in TennCare state funds [$(\$24,225,342 \times 45.0\%) \times 33.705\%$].
 - \$7,227,086 in TennCare federal funds [$(\$24,225,342 \times 45.0\%) \times 66.295\%$].
 - \$3,633,801 in Title IV-E federal funds ($\$24,225,342 \times 15.0\%$).
- The increase in DCS custody as a result of the proposed legislation is assumed to begin in FY22-23 and is estimated to be 50 percent of the full year impact as it will take time for each case to work through the court system.
- The total increase in state expenditures is estimated to be \$6,682,228 ($\$13,364,455 \times 50.0\%$) in FY22-23 and \$13,364,455 in FY23-24 and subsequent years.
- The total increase in federal expenditures is estimated to be \$5,430,444 ($\$10,860,887 \times 50.0\%$) in FY22-23 and \$10,860,887 in FY23-24 and subsequent years.
- Following enactment of Public Chapter 1052 of 2018, DCS saw a 31 percent decrease in delinquent youth in custody and on probation.
- Based on information provided by the DCS, as a result of the decrease in custody and probation populations, 32 existing case managers were reclassified to accommodate an increase in the Department's dependent and neglected (D&N) population.
- The extent to which reclassification of such case managers back to custody and probation would necessitate additional positions for the D&N population is unknown.
- Based on information provided by the Administrative Office of the Courts, any fiscal impact to the court system is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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